



FOR IMMEDIATE RELEASE

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MAYOR JERRY SANDERS FACT SHEET

MAYOR, COUNCILMEMBERS URGE GOVERNOR: REFORM REDEVELOPMENT, DON'T END IT

Mayor Jerry Sanders was joined by Council President Tony Young, Council President Pro Tem Kevin Faulconer and Councilmember Todd Gloria today to urge the governor and state legislators to accept the redevelopment reform proposal Sanders and California's other big-city mayors submitted for their consideration.

The proposal would keep the important job-generating tool in place in California while requiring redevelopment agencies to share additional revenues with the state; increase transparency; and expedite affordable housing production.

"The governor has asked the mayors who want to save redevelopment to come up with an alternative, and we've done just that," said Sanders. "We urge him to consider our solution, which will help with the state's short-term budget problem while avoiding the devastating long-term economic consequences for our state's economy of eliminating redevelopment."

Elements of the reform proposal include:

Additional Tax Sharing:

Next fiscal year, cities would provide an annual payment of 5 percent of gross tax increment to the state, estimated to be approximately \$200 million statewide (\$8.5 million for San Diego). Beginning in 2018, the cities would share an additional 15 percent of tax increment with the state in exchange for a project area extension of 10 years to meet these added obligations.

Reform Redevelopment Requirements:

Cities with more than 20 percent of their total taxable property value in redevelopment areas would be unable to adopt new project areas or expand existing project areas.

Increased Transparency:

Disclosure and reporting requirements would be increased and would include substantial expenditures to, or benefiting, a private entity.

Expedited Affordable Housing:

The reform proposal would enforce stricter deadlines on spending funds set aside for affordable housing. Small agencies would be able to pool funds with adjacent agencies to enable faster production.

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